



PRESS RELEASE

2005 FULL YEAR RESULTS

Growth continues in sales and at all levels of operating profitability

Net sales € 809.9 million (+7.8%)

EBITDA € 201.3 million (+9.1%), or 24.9% of net sales

Operating result € 183.9 million (+10.3%)

Group's net profit € 118.0 million (+21.8%)

Enzo Visone, Chief Executive Officer: "In 2005, the Group once again achieved extremely positive results. We remain confident for a positive performance in 2006 and, more generally, in the medium term."

Milan, 22 March 2006 - The Board of Directors of Davide Campari-Milano S.p.A. has approved the consolidated full year results for 2005. The 2005 results, which were prepared according to IAS / IFRS accounting standards, were very positive and showed growth in sales and at all levels of profitability compared to the previous year.

Consolidated results	2005 € million	2004 € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	809.9	751.1	+7.8%	+6.6%
Trading profit	234.8	219.2	+7.1%	+6.8%
EBITDA before one-off's	196.6	182.3	+7.8%	+7.9%
EBITDA	201.3	184.5	+9.1%	+8.9%
EBIT before one-off's	179.1	164.4	+8.9%	+9.1%
Operating profit = EBIT	183.9	166.7	+10.3%	+10.3%
Group's net profit	118.0	96.9	+21.8%	+22.1%

2005 CONSOLIDATED RESULTS

In 2005, **Group sales** totalled € 809.9 million, **an increase of 7.8%** (+6.6% at constant exchange rates).

The overall change in consolidated sales resulted from **organic growth of 4.1%** and a positive exchange rate effect of 1.2%. **External growth of 2.5%** came from sales of third-party brands that the Group has begun distributing (Jack Daniel's and the other Brown-Forman brands on the Italian market, and to a lesser extent, Martin Miller's gin in the US).

Trading profit increased by 7.1% (+6.8% at constant exchange rates), to € 234.8 million, or 29.0% of sales. The total change is composed of 5.7% organic growth, 1.1% external growth and 0.3% positive currency effect.

EBITDA before one off's increased by 7.8% (+7.9% at constant exchange rates) to € 196.6 million, or 24.3% of sales.

EBITDA rose by 9.1% (+8.9% at constant exchange rates) to € 201.3 million, or 24.9% of sales.

EBIT before one off's went up by 8.9% (+9.1% at constant exchange rates) to € 179.1 million, or 22.1% of sales.

EBIT increased by 10.3% (+10.3% at constant exchange rates) to € 183.9 million, or 22.7% of sales.

With regard to **depreciation and amortisation**, please note that following the adoption of IAS / IFRS, the amortisation of intangible assets no longer includes goodwill and trademark amortisation.

Profit before tax and minority interests was € 174.2 million, an **increase** of 10.9% (+10.7% at constant exchange rates).

Group's net profit was € 118.0 million, a **rise of 21.8%** (+22.1% at constant exchange rates).

Shareholders' equity was € 695.8 million at 31 December 2005.

At 31 December 2005, **net financial debt** stood at € 371.4 million (€ 327.5 million at 30 September 2005). **The debt to equity ratio** at 31 December 2005 was 53.4%.

CONSOLIDATED SALES 2005

The **spirits segment**, which represents 68.1% of total sales, recorded **growth of 11.9%**, the combination of **organic growth of 6.2%**, driven by good performances from the major brands, and external growth of 3.8% following new distribution agreements, especially Jack Daniel's whisky on the Italian market. The **Campari** brand posted **growth of 4.1%** at constant exchange rates (+5.8% at actual exchange rates), thanks to positive performances in major European markets. Sales of **SKYY Vodka rose by 8.9%** at constant exchange rates, thanks to a positive performance in both the US and international markets. Regarding the other main brands, the spirits segment benefited from strong performances from **Aperol (+23.2%)**, **Cynar (+16.2%** at constant exchange rates) and **Brazilian brands (+9.6%** at constant exchange rates); sales of **CampariSoda** and **Ouzo 12** registered growth of **1.4%** and **2.1%** respectively in 2005. Of the brands under licence, **1800 tequila (+14.9%** at constant exchange rates) and **Jägermeister (+3.5% at constant exchange rates)** performed well.

The **wines segment**, which accounts for 15.5% of total sales, recorded **growth of 3.6%**, resulting from **organic growth of 3.7%** and a negative exchange rate effect of 0.1%. The positive performance of the business was driven by sales of **Cinzano vermouth**, which grew by **16.0%** at constant exchange rates, thanks to a good showing in major European markets. Sales of **Cinzano sparkling wines** rose by **1.0%** at constant exchange rates. Sales of wines were also supported by a sound performance from **Riccadonna (+14.1%** at constant exchange rates), **Mondoro (+7.6%** at constant exchange rates) and **Sella & Mosca (+1.3%)**.

Soft drink sales, 15.4% of total sales, recorded almost entirely on the Italian market, benefited from the positive performance of the core brands **Crodino (+3.2%)** and **Lemonsoda, Oransoda and Pelmosoda (+1.2%)**. The slight decline in the segment's sales of 1.9% is mainly attributable to the less profitable Lipton Ice Tea (-12.6%).

Looking now at results **by region**, sales on the **Italian market**, which account for 47.1% of total Group sales, recorded an **increase of 4.9%** in 2005. The Italian business benefited from a positive contribution from external growth (**+4.8%**), as the Group began distributing Jack Daniel's and other Brown-Forman brands; sales growth in like-for-like terms was 0.1%, and came on the back of the **positive performance on all core brands**, but was negatively affected by the performances of Campari Mixx and Lipton Ice Tea, two low-margin products. Sales in **Europe** (18.7% of consolidated sales) **grew by 6.9%**, thanks to the strong performance in major European markets of strategic importance, including Germany. In the Americas, which account for 29.9% of total sales, the **US market** posted **organic growth of 7.5%** at constant exchange rates (7.7% at actual exchange rates). **Sales in Brazil rose by 8.7%** at constant exchange rates (**+29.9%** at actual exchange rates). Sales to the **rest of the world**, which include duty free sales and account for 4.3% of the total, **posted organic growth of 13.0%** at constant exchange rates. This result was boosted in particular by a positive performance on the Australian and New Zealand markets.

EVENTS TAKING PLACE AFTER THE END OF 2005

On 15 March 2006, the Campari Group completed the acquisition from Pernod Ricard of Scotch whisky brands Glen Grant, Old Smuggler and Braemar as well as related assets, including the Glen Grant distillery in Rothes, Scotland. The agreement was announced on 22 December 2005. The payment of the acquisition of € 130 million, financed via bank debt, was made in cash.

OTHER RESOLUTIONS

Dividend. The Board of Directors has voted to propose the ordinary and extraordinary Shareholders' Meeting scheduled for 24 April 2006 a **dividend of € 0.10 per share**, unchanged from the previous year. The dividend will be paid from 11 May 2006 (coupon no. 2 should be detached on 8 May 2006) except on own shares.

Own shares. The Board of Directors has approved the report to be presented to the Shareholders' Meeting relating to the resolution to authorise the purchase and/or sale of own shares, mainly to be used to service the stock option plans. The authorisation shall concern the purchase and/or sale of a total number of shares, including existing own shares, up to 10% of the share capital. As of today, the company has own shares corresponding to 3.11% of the share capital. The authorisation shall remain valid until 30 June 2007. The corresponding minimum and maximum purchase and/or sale price will be determined at a unit price which, as regards the said price range, shall not be less than 25% and shall not exceed 25% than the average reference price determined by the three Stock Market sessions prior to each single transaction.

Corporate governance and amendments to the company's by-laws. The Board of Directors has approved the annual corporate governance report. It has also voted to propose to the extraordinary Shareholders' Meeting an amendment to the company's by-laws to give directors the authorisation to increase the share capital, and issue convertible bonds and other financial instruments.

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CONFERENCE CALL

Please note that at **5.00 p.m. (CET) today, Wednesday, 22 March 2006**, Campari's management will hold a conference call to present the Group's 2005 full year results to analysts, investors and journalists. To participate, please dial one of the following numbers:

- **from Italy: 800 914 576 (toll free number)**
- **from abroad: +39 02 3700 8208**

The **presentation** can be downloaded before the conference call from the Investor Relations homepage of Campari's website, at www.campari.com/investors.

A **recording of the conference call** will be available from 9.00 p.m. (CET) on Wednesday, 22 March until 7.00 p.m. (CET) on Wednesday, 29 March. To hear it, please call +44 1296 618 700 (access code: 642432).

PRESENTATION OF RESULTS TO THE FINANCIAL COMMUNITY AND THE PRESS

At **10.00 a.m. tomorrow, Thursday, 23 March 2006**, Campari's management will present the Group's 2005 results to the financial community at **Four Seasons Hotel**, Via Gesù 6/8, Milan.

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The **Campari Group** is a major player in the global beverage sector, trading in over 190 nations around the world with a leading position in the Italian and Brazilian markets and a strong presence in the US, Germany and Switzerland. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment stand out internationally renowned brands, such as Campari, SKYY Vodka and Cynar together with leading local brands, such as Aperol, CampariSoda, Glen Grant, Ouzo 12 and Zedda Piras and the Brazilian brands Dreher, Old Eight, Drury's. In the wine segment together with Cinzano, known world-wide, are Liebfraumilch, Mondoro, Riccadonna, Sella & Mosca and Teruzzi & Puthod all respected wines in their category. In the soft drinks segment are Crodino, Lemonsoda and its respective line extension dominating the Italian market. The Group has over 1,500 employees. The shares of the parent company, Davide Campari-Milano, are listed on the Italian Stock Exchange.

FOR FURTHER INFORMATION:

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CAMPARI GROUP

Consolidated net revenues by segment

	1 January - 31 December 2005		1 January - 31 December 2004		Change
	€ million	%	€ million	%	%
Spirits	551.5	68.1%	493.1	65.6%	11.9%
Wines	125.2	15.5%	120.8	16.1%	3.6%
Soft drinks	124.9	15.4%	127.4	17.0%	-1.9%
Other revenues	8.3	1.0%	9.9	1.3%	-15.9%
Total	809.9	100.0%	751.1	100.0%	7.8%

Consolidated net revenues by geographic area

	1 January - 31 December 2005		1 January - 31 December 2004		Change
	€ million	%	€ million	%	%
Italy	381.5	47.1%	363.6	48.4%	4.9%
Europe	151.7	18.7%	141.8	18.9%	6.9%
Americas	242.0	29.9%	214.6	28.6%	12.8%
Rest of the world and duty free	34.8	4.3%	31.1	4.1%	11.9%
Total	809.9	100.0%	751.1	100.0%	7.8%

CAMPARI GROUP

Reclassified consolidated income statement

	1 January - 31 December 2005		1 January - 31 December 2004		Change %
	€ million	%	€ million	%	
Net sales ⁽¹⁾	809.9	100.0%	751.1	100.0%	7.8%
Total cost of goods sold	(345.1)	-42.6%	(316.6)	-42.1%	9.0%
Gross margin	464.9	57.4%	434.6	57.9%	7.0%
Advertising and promotion	(139.7)	-17.2%	(131.3)	-17.5%	6.4%
Sales and distribution expenses	(90.3)	-11.1%	(84.1)	-11.2%	7.4%
Trading profit	234.8	29.0%	219.2	29.2%	7.1%
G&A and other operating income/expenses	(55.7)	-6.9%	(54.7)	-7.3%	1.8%
EBIT before one-off's	179.1	22.1%	164.4	21.9%	8.9%
One-off's	4.7	0.6%	2.2	0.3%	113.6%
Operating profit = EBIT	183.9	22.7%	166.7	22.2%	10.3%
Net financial income (expenses)	(9.9)	-1.2%	(9.6)	-1.3%	3.1%
Income from associates	0.3	0.0%	0.0	0.0%	
Pretax profit	174.2	21.5%	157.1	20.9%	10.9%
Taxes	(51.2)	-6.3%	(43.1)	-5.7%	18.8%
Net profit	123.1	15.2%	114.0	15.2%	8.0%
Minority interests	(5.0)	-0.6%	(17.1)	-2.3%	-70.8%
Group's net profit	118.0	14.6%	96.9	12.9%	21.8%
<i>Other information:</i>					
Depreciation	(17.4)	-2.1%	(17.8)	-2.4%	-2.2%
EBITDA before one-off's	196.6	24.3%	182.3	24.2%	7.8%
EBITDA	201.3	24.9%	184.5	24.5%	9.1%

(1) Net of discounts and excise duty.

CAMPARI GROUP

Reclassified consolidated balance sheet

	31 December 2005 € million	31 December 2004 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	152.5	144.2
Biological assets	13.5	9.5
Property	4.6	4.1
Goodwill and trademarks	750.6	575.6
Intangible assets	3.8	3.4
Interests in associates	0.6	0.4
Pre-paid taxes	16.5	15.5
Other non-current assets	11.1	34.9
Total non-current assets	953.2	787.7
Current assets		
Inventories	135.3	114.4
Trade receivables	237.4	166.3
Short-term financial receivables	3.2	3.9
Cash at bank and securities	247.5	246.0
Other receivables	24.2	22.9
Total current assets	647.6	553.4
Non-current assets for sale	0.1	0.1
Total assets	1,600.9	1,341.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	29.0	29.0
Reserves	664.5	595.8
Group's shareholders' equity	693.6	624.8
Minority interests	2.2	4.4
Total shareholders' equity	695.8	629.2
Non-current liabilities		
Bonds	374.6	378.0
Other non-current financial payables	122.8	27.2
Staff severance fund	14.3	15.2
Risks fund	10.1	14.3
Deferred tax	43.3	25.1
Total non-current liabilities	565.1	459.7
Current liabilities		
Banks borrowings	112.8	55.6
Other financial payables	17.2	15.3
Trade payables	150.2	127.6
Payables to tax authorities	25.1	20.5
Other current liabilities	34.8	33.3
Total current liabilities	340.0	252.3
Total liabilities and shareholders' equity	1,600.9	1,341.2

CAMPARI GROUP

Consolidated cash flow statement

	31 December 2005 € million	31 December 2004 € million
Net profit	118.0	96.9
Non cash items	29.3	13.7
Cash flow from operating activities before changes in working capital	147.3	110.6
Net change in working capital	(50.2)	4.2
Cash flow from operating activities (A)	97.1	114.8
Cash flow from investing activities (capex) (B)	(15.0)	(16.4)
Free cash flow (A + B)	82.1	98.4
Acquisitions	(130.7)	(14.1)
Other changes	2.1	2.1
Dividends paid	(28.1)	(24.7)
Cash flow from other activities (C)	(156.7)	(36.7)
Exchange rate differences and other movements (D)	(24.6)	6.4
Net increase (decrease) in net financial position (A + B + C + D)	(99.2)	68.1
Expected cost relating to eventual exercise of put option on Skyy Spirits, LLC minority stake	(45.5)	
Net increase (decrease) in net financial position	(144.7)	68.1
Net financial position at start of period	(226.7)	(294.8)
Net financial position at end of period	(371.4)	(226.7)

DAVIDE CAMPARI-MILANO S.p.A.

Parent company income statement (summary statutory accounts)

	31 December 2005 € million
Value of production	306.7
Production costs	294.2
Difference between value and cost production	12.5
Total financial income and charges	19.3
Total extraordinary items	2.6
Profit before tax	34.4
Corporate income tax	2.2
Net profit	32.2

Parent company balance sheet (summary statutory accounts)

	31 December 2005 € million
Total non - current assets	854.1
Total current assets	264.9
Total accruals and deferrals	5.6
Total assets	1,124.6
Total shareholders' equity	458.0
Total provisions for risks and charges	8.2
Staff severance fund	8.3
Total payables	635.9
Total accruals and deferrals	14.1
Total liabilities	1,124.6

Parent company cash flow (summary statutory accounts)

	31 December 2005 € million
Net profit	32.2
Adjustments to reconcile net profit with cash flow from operations	19.2
Changes in operating assets and liabilities	(3.0)
Cash flow from operations	48.4
Cash flow from investments	(20.0)
Cash flow used by financial operations	17.9
Increase (decrease) in cash and banks	46.3
Cash and banks at start of financial year	55.7
Cash and banks at end of financial year	102.0